

ADVERTISING LAWS

Background

In California's competitive marketplace, every advertisement is an opportunity to attract new customers. Many service dealers rely heavily on the effectiveness of their ads to generate new business, and they work hard to keep those new customers. However, if your advertisement misrepresents your professional services, you could be in violation of the law.

Advertising laws are designed to protect *consumers* from unethical and deceptive business practices and *competitors* from unfair and illegal advertising. California's Bureau of Electronic and Appliance Repair (BEAR) understands that service dealers who advertise legally are operating at a competitive disadvantage with those who lure customers with misleading, illegal ads.

That's why BEAR is increasing enforcement efforts against service dealers who fail to follow the legal requirements.

BEAR will:

Identify violations in advertising media (i.e., phone books, circulars etc.).

Issue Notices of Violation and conduct office conferences with offenders.

Issue an administrative citation and fine to service dealers who continue to violate the law.

Monitor service dealers to ensure that, if the service dealer advertises the price of a service call, the dealer will not charge additional fees, except as permitted by law.

Continue monitoring service dealers with previous citations to evaluate any changes made to their ads to comply with state law.

Advertising Requirements

The Bureau has assembled a list of advertising requirements to assist service dealers to comply with advertising laws:

An ad must show the business telephone number, as well as the business name and address, as the information appears on the service dealer's state registration certificate.

If the ad includes the term "repaired in the home," it must state whether there will be a charge if the service repairs cannot be completed in the home.

If the ad implies that the person performing the service is "factory-trained," a "factory specialist," "factory-authorized," "authorized," "licensed," "certified," etc., that person must truly meet those specifications.

If the term "free" is used in an ad, any conditions associated with the offer must be clearly stated in the ad. If no conditions are stated, the article or service must actually be free.

If the words "guarantee," "guaranteed," "no-fix, no pay," or similar words are used, the ad must clearly state who will honor the guarantee (the service dealer, manufacturer, etc.) and what is guaranteed (time, parts, and/or labor).

If the ad describes the service operations of a business using "24-hour," "day and night," or similar terms, the services must actually be available to the public 24 hours a day. A message service that schedules service calls for a later time does not constitute 24-hour service.

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If the ad uses the terms “discount coupons,” “discount prices,” or similar words in an ad, the usual or customary price that is being discounted must be prominently displayed in the ad. An example of a legal ad is: “\$5.00 off regular service call price... regular service call is \$17.50.”

If the ad quotes the price for an item, the ad also must disclose whether the item is new, used, rebuilt, or renovated, and whether the quoted price includes installation charges, if appropriate.